HEALTH & BEAUTY AIDS

Toothpaste Titans Set Gel War

Toothpaste, by far the major dental product category and No. 5 in health & beauty aids, continues to be in a state of flux in terms of brand rankings.

During 1982 there will be a surge in advertising expenditures by the major brand manufacturers. Reportedly better than $80 million will be spent just on television advertising. The primary thrust will be coming from Colgate Palmolive and Procter & Gamble (Crest) to push their recent gel entries.

This special Product Movement Audit, supplied by Boston Distributors of Maple Heights, Ohio, shows that the toothpaste category is no stranger to jockeying for position among the brands; the audit also reveals why Colgate and P&G are loosening up the purse strings on behalf of the gels.

According to Raymond Prendergast, Boston Distributors' president, dollar sales in the category moved ahead 12% for the company during nine months of 1981. The audit covered the period Feb. 2 through Nov. 8, 1981.

The top selling brand on the PMA once again was Crest, taking the first, second and fourth positions. Colgate held third, sixth and 13th.

But the gels snared the largest gains on the PMA. Aqua Fresh was the big gainer in 1981, earning three places in the top 15; Aim won two spots, and Close Up moved to No. 10. In an earlier PMA covering the first quarter of 1981, Aqua Fresh earned only two places among the top 15; Aim placed one sku, and Close Up earned 15th place.

The reason for the reaction of the giants, Colgate and P&G, is obvious: the market share of their paste formulations was put in a dangerous position by the gels.

But, Lever Bros. (Aim and Close Up) and Beechum (Aqua Fresh) have also responded with new product entries. Lever introduced a new mint flavor, while Beechum's Aqua Fresh has been reformulated to include a cleaning agent in addition to its previous paste/gel combination. Aqua Fresh is the only brand not adding another sku but substituting the new formulation to replace the old.

From the retail vantage, Prendergast cautioned that the toothpaste category has already reached a market penetration of approximately 95%—meaning 95% of the population currently uses toothpaste. Consequently, increases in advertising expenditures will fluctuate brand market share, but they will not create plus business in the toothpaste category.

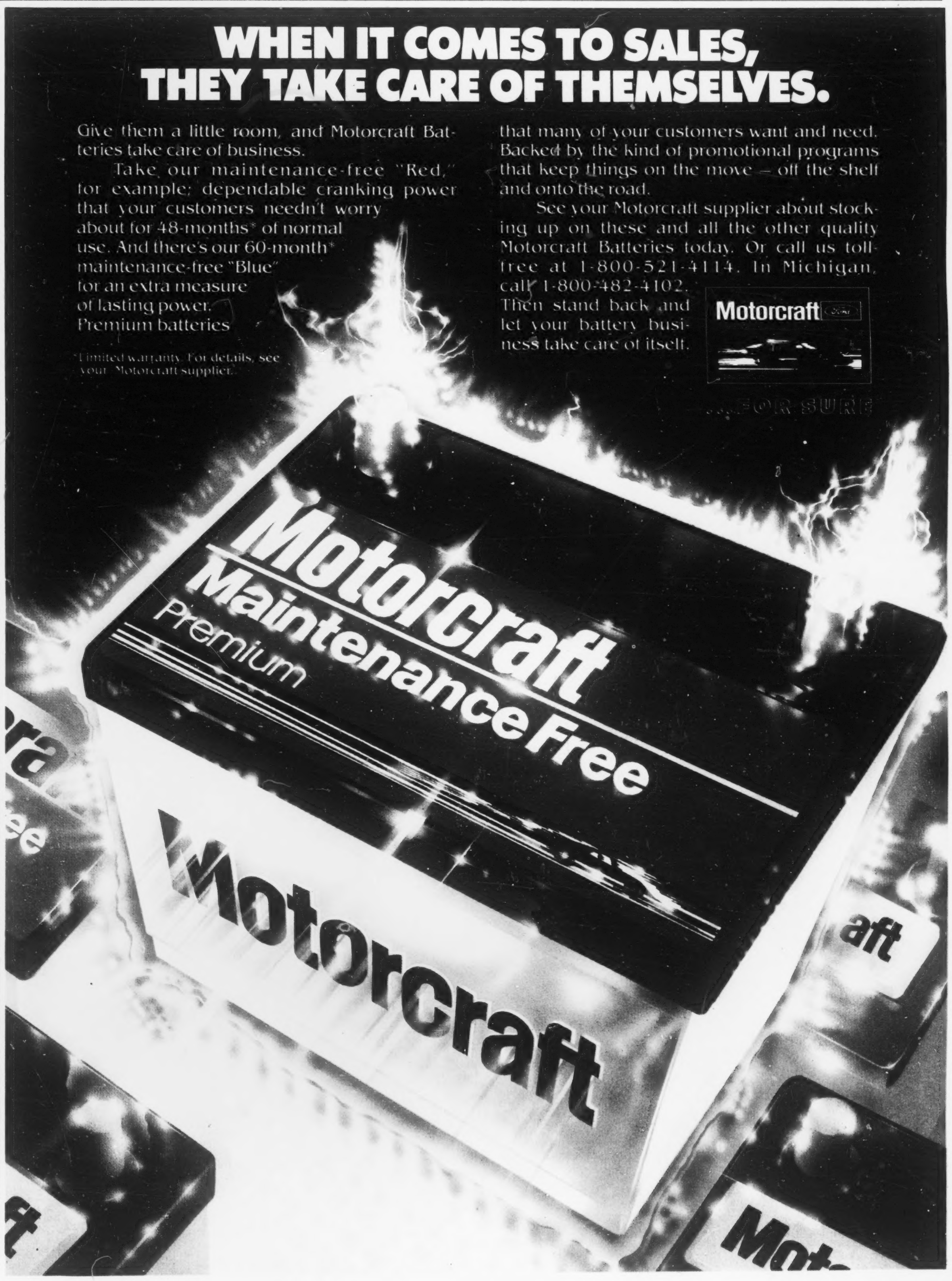
Discounters then will have to merchandise the category carefully.

The temptation of course, will be to increase shelf space, but in today's economy a more productive move might be to cut back on the facings of existing brands to make room for the new entries, Prendergast said.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOOTHPASTE			
1	Crest toothpaste, regular, 6.4 oz	231,320	1.49	344,667
2	Crest toothpaste, mint, 6.4 oz	207,092	1.49	308,567
3	Colgate dental creme, family 7 oz	187,128	1.49	278,821
4	Crest toothpaste, regular, 8.2 oz	99,448	1.97	195,913
5	Crest toothpaste, mint, 8.2 oz	98,428	1.97	193,903
6	Colgate dental creme, 9 oz	85,980	1.97	169,381
7	Aim toothpaste, 6.4 oz	105,640	1.49	157,404
8	Aqua Fresh toothpaste, 6.4 oz	105,264	1.49	156,843
9	Ultra Brite toothpaste, 6 oz	80,728	1.49	120,285
10	Close Up toothpaste, regular, 6.4 oz	77,296	1.49	115,171
	TOOTHBRUSHES			
1	Reach toothbrush, tab med	55,452	1.03	57,085
2	Oral B adult brush, tab 40	38,436	1.01	38,820
3	Reach toothbrush,tab soft	37,260	1.03	38,378
4	Oral B adult brush, tab 60	36,852	1.01	37,221
5	Pepsodent toothbrush, adult med	56,664	0.58	32,865
6	Pepsodent toothbrush, adult hard	55,092	0.58	31,953
7	Tek toothbrush, med	68,748	0.39	26,812
8	Johnson & Johnson dental floss, waxed, 50 yd	29,316	0.87	25,505
9	Oral B youth brush, tab 30	27,216	0.87	23,678
10	Pepsodent toothbrush, adult soft	39,840	0.58	23,107

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	DENTURE PRODUCTS			
1	Efferdent tablets, 96	96,516	2.79	269,280
2	Polident tablets, 84	74,228	2.48	184,085
3	Efferdent tablets, 60	43,664	1.92	83,835
4	Efferdent tablets, 40	43,548	1.37	59,661
5	Dentu-Creme Wernets, 5.75 oz.	33,114	1.68	55,632
6	Fasteeth powder, economy, 3.5 oz.	21,336	2.49	53,127
7	Super Poli-grip, 1.4 oz.	33,408	1.43	47,773
8	Polident tablets, 40	34,012	1.27	43,195
9	Fixodent denture creme, economy, 2.5 oz.	19,512	2.14	41,756
10	Dentu-Creme Wernets, economy, 3.9 oz.	18,696	1.33	24,866
	MOUTHWASH			
1	Listerine antiseptic, 32 oz	116,988	2.69	314,698
2	Scope mouthwash, 24 oz	74,028	2.39	176,927
3	Scope mouthwash, 40 oz	43,422	3.85	167,175
4	Scope mouthwash, family, 18 oz	54,916	2.04	112,029
5	Signal mouthwash, 24 oz	37,020	2.39	88,478
6	Listerine antiseptic, 24 oz	34,512	2.48	85,590
7	Cepacol mouthwash, 24 oz	29,328	2.39	70,094
8	Listermint mouthwash, 24 oz	22,336	2.39	53,383
9	Listerine antiseptic, 48 oz	12,078	4.37	52,781
10	Scope mouthwash, lg, 12 oz	30,732	1.62	49,786

Source: Boston Distributors, Maple Heights, Ohio.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CONSUMER ELECTRONICS SHOW

Gross Margin Plummets; Initial Markup Rises

	1976	1977	1978	1979	1980	1981	5-year change	'81 vs. '80
Dept. Size (sq. ft.)	2,215	1,950	1,950	2,000	2,000	2,000	+9.7%	NC
Annual Turns	3.1	3.1	3.0	3.0	3.0	3.0	−3.2%	NC
Volume per sq. ft.	$196.61	$197.23	$203.34	$206.44	$208	$221	+12.4%	+6.2%
Initial Markup	26%	26%	26%	26%	26%	28%	+7.6%	+7.6%
Gross Margin	22%	22%	21%	21%	21%	18%	−18.1%	−14.2%
Discount Store Sales	—	—	$2.7B	$3B	$3.2B	$3.6B	—	+12.5%
Sales per store	—	—	$396,521	$412,882	$415,504	$441,000	—	+6.1%

NC—No Change B—Billion *Source:* DSN *Research*

Gross margins took a dive in 1981, falling 14.2% from 1980's margins. Compared to five years ago, margins were down 18.8%. At the same time, initial markup rose 7.6% for the year, the first increase noted in the past five years. Although some categories (stereos) suffered softened sales, department volume moved up 12.5%. Sales per store were up 6.1%.

Buyers' Hopes

(Continued from page 27)

Buyers say today's consumers are looking to the higher-end features and styling in all stereos, including "soft touch" controls, graphic equalizers, recessed turntables and cassette capability.

"Our business is becoming more and more a fashion business," where design and features are very important," stressed Pamida buyer Dick Pearson.

In trying to gain the trade-up customer, some chains (Wal-Mart, Caldor) have added Pioneer components to their high-end. Caldor priced turntable, receiver, cassette deck and speakers at the $800 mark.

Meanwhile, the newest high-end televisions have failed to attract discounters. The big-screen color projector sets, now being featured by a few catalogers, carry price points still out of line for discount stores. (Best carries a Panasonic color projector TV in its 1981-82 catalog at $2,999.97, reg. $3,300, listed on limited availability.)

T.G. & Y.'s Larry Lide said consumers, especially those in discount stores, are more willing to accept $200 to $600 price tags on color television sets than $2,000 to $4,000 for the big screens with lower-quality color.

For T.G. & Y. and the majority of discounters, 19-in. color television sets (priced from $299 to $349) still make up the bulk of business.

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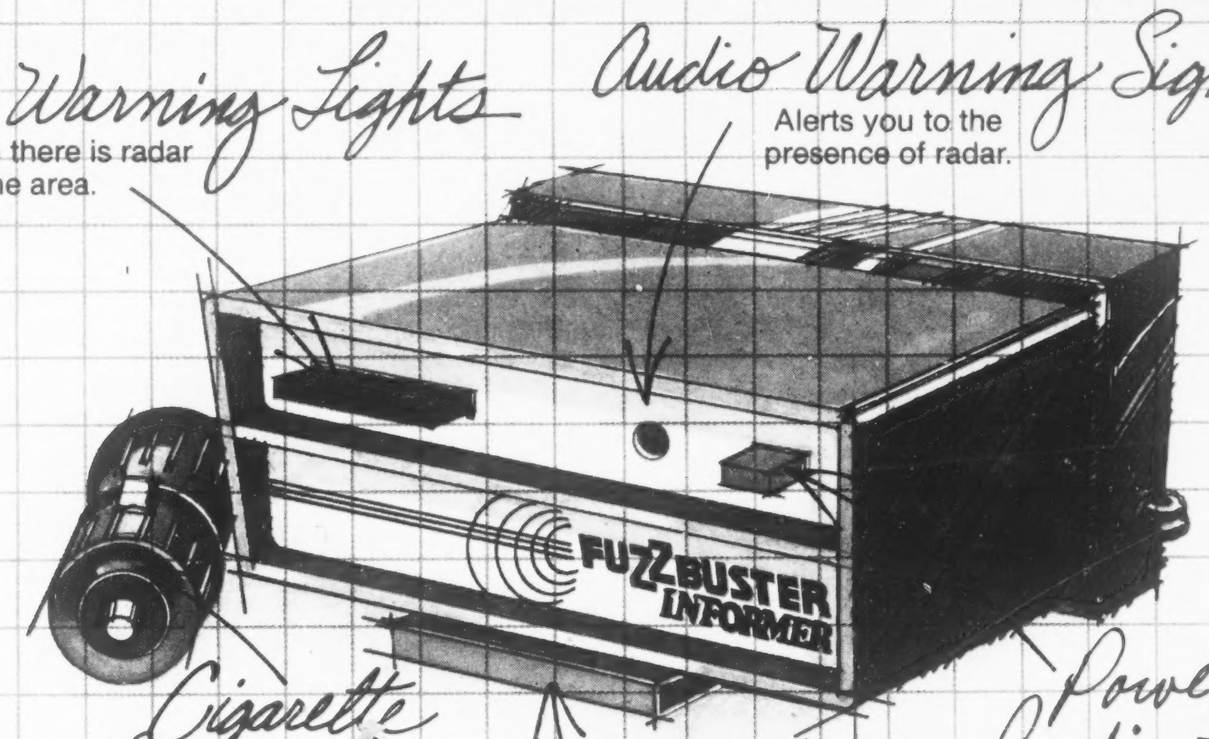
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Inform you there is radar in the area.
Audio Warning Signal
Alerts you to the presence of radar.
Cigarette Lighter Plug
Mount your unit, plug it in and you're ready to drive.
Mounting Bracket
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Power Indicator Light
Lets you know when it's on and you're protected.
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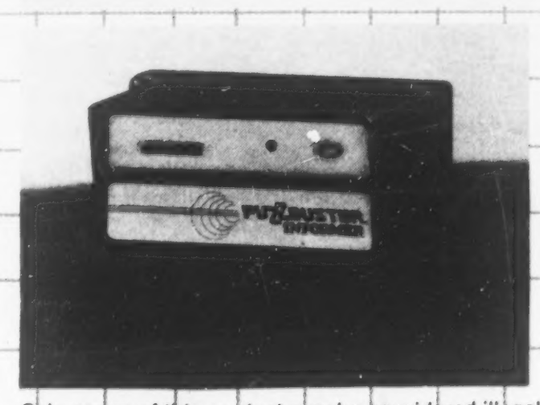
Visor Mounted Informer



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Battle Continues Over Home Use Of VCR Units

WASHINGTON—The battle over the home use of video cassette recorders (VCRs) continues, as trade associations bring their case before the Government.

The Consumer Electronics Group of the Electronic Industries Association (EIA) testified before the Senate Judiciary Committee, calling for enactment of legislation to permit videotaping of copyrighted television programs.

The group testified in response to a recent Ninth Circuit Court of Appeals decision, which ruled that it is illegal for consumers to videotape television programs for private, noncommercial use. That decision generated industry concern about the future of the VCR business.

The case is expected to remain in the courts for a long time. Both the EIA and Sony, a defendant, have asked the Ninth Circuit Court to review the decision.

Stores' Purchases Of VCRs Soar by 50% in November

WASHINGTON—The Electronic Industries Association's Consumer Electronics Group reported that total United States market sales to retailers of home video cassette recorders, color video cameras and projection televisions increased by 43.1% in November 1981, compared to the same month in 1980.

The year-to-date figure shows a 74.1% increase in the three categories. During the month of November the VCR category posted the largest gain: 49.9%. The largest year-to-date increase was in the projection TV (large screen) area: 130%.

Conventional color and black and white TVs showed a loss, with a total decrease of 20.4% in November. A small year-to-date gain of 0.2% was shown in the category year-to-date.

9-Month Sales Up 16% At Record/Tape Stores

CHERRY HILL, N.J.—During the nine-month period ended Sept. 30, record and tape specialty shop sales rose 16% over the first nine months of 1980, growing from $303,361,567 to $351,403,969, according to The National Association of Recording Merchandisers (NARM).

Comparable-store sales grew only 4%, from $303,361,567 to $315,853,299.

Sterling Exec to Head Ark. Chapter of ASIS

LITTLE ROCK, Ark.—Herb Dicker, distribution center operations manager for Sterling Stores, which includes Magic Mart as a subsidiary, has been elected chairman of the Arkansas Chapter of the American Society for Industrial Security (ASIS).

Membership in ASIS is open to all security professionals in a supervisory or management position.

-/ C5150-3

Housewares Show Section: Pp. 25-80

Catalog Showroom News: Pp.11, 99

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Administration to Press For Price Maintenance

By Ken Rankin

WASHINGTON—Reagan Administration enforcers are on the verge of a sweeping legal campaign to promote resale price maintenance and other distributional restraints against "free-riding" discount chains.

At the same time, discount industry lawyers and Washington lobbyists are mounting a counterattack, warning top Administration policy makers that Federal backpedaling on Fair Trade or other vertical antitrust restrictions could have severe competitive implications for discounters and consumers.

Association of General Merchandise Chains president Ed Borda, who has already alerted key Government and industry leaders to the pending antitrust shift, told *DSN* that the present restrictions against resale price maintenance are essential for the nation's mass merchandisers.

Justifying industry concerns, officials at the Justice Department's Antitrust Division told *DSN* that the agency's controversial "private action program" will indeed be carried out.

This program, developed by

(Continued on page 15)

Space, Tickets Are Increased For Checkout Merchandise

Nationwide DSN Report

Woolco hiked its checkout profile from 48 in. to 56 in. to squeeze in more stock. T.G. & Y. is doubling its register space and other chains are boosting some tickets by 500% and even 1,000% to cash in on that key area's merchandising.

Given today's GMROI orientation and the checkout's clear dominance as the location for the fastest-turning merchandise in the store, discounters are:

- Increasing centralized control, in many cases taking away one of the store manager's few remaining areas of discretion in merchandising.
- Bolstering stock in both breadth and depth and changing presentations for a fresh look.
- Testing $4, $5 and even $10 items, in marked contrast to the $1.10 common average ticket for the 200 to 250 sku's traditionally carried there.
- Increasing the frequency of item review and change in the program and keeping a handle on theft.

(Continued on page 15)

Yule Sales Finally Click; Margins Take a Beating

Nationwide DSN Report

A late Christmas-week sales surge allayed discounter fears of a disastrous December, giving most of the country's largest chains respectable double-digit sales gains for December.

The bad news will come in several weeks, however, when earnings figures for the fourth quarter dim the Christmas cheer, underscoring what is already known: In 1981 volume was too often bought at the expense of gross margins.

K mart's 18.4% sales increase for the month "modestly exceeded" the chain's planned sales target, chairman Bernard Fauber said, adding that slack sales early in the month gradually led to a strong final week.

"Strictly seasonal merchandise sold well, and as a result our seasonal inventories are within acceptable levels," Fauber said. K mart sales for the 48 weeks ended Dec. 30 were $15.547 billion, 16.3% ahead of the same period the year before. The 1981 volume was achieved on a store base of 2,380, 6% larger than the 1980 store base of 2,244.

Good movement on winter wearables was a factor in several other chains' December performance, notably Target and T.G. & Y.

Target registered a 28% sales gain in December, leading parent Dayton Hudson's divisions. (Dayton Hudson does not break out Target's volume contribution on a monthly basis.) Corporate sales for the month were $935.1 million, a 20.8% increase from the year before's $774 million for the same period. Same-store sales were up 11.9%.

Dayton Hudson chairman William Andres said sales were "in line with expectations," for December, while "customers were particularly responsive to promotional events."

(Continued on page 112)

Wal-Mart Top Gainer

Chain	$ Sales (millions) Dec. '81	Dec. '80	% Gain
Wal-Mart[a]	403.0	255.6	58.0[a]
K mart	2,739.0	2,314.0	18.4
Zayre	299.2	253.9	17.8
ALCO	30.9	26.5	16.6
Gold Circle/Richway[b]	134.1	115.1	16.5
Jamesway	54.0	46.4	16.0
Venture	110.1	96.7	13.9
Rose's	95.7	84.2	13.6
Murphy's mart	87.2	76.9	13.4
T.G. & Y.[c]	300.0	271.5	10.5

[a]*Wal-Mart Dec. '81 figures include $56.8 million from its recently acquired Big K stores. Volume increase without Big K sales was 35%.*
[b]*Discount divisions of Federated Department Stores.*
[c]*Preliminary figure. Includes sales from 400 variety stores.*

Digest

H&BA

- Consumer demand for prestige fragrances has eased discounter fears of stepping into the high-priced name brands, but most manufacturers still resist selling direct. (p. 19)
- New-product entries are expanding the already fast-growing diet-aid market. Discounters are finding fat sales with new caffeine-free, extra-strength products. (p. 19)

Hardware

- Imported tools are giving Target and Zayre new promotional price opportunities while at the same time keeping margins high. (p. 82)
- Fireplace accessory sales have lost their spark at operators Fred Meyer and Rose's due to the smothering effect of high interest rates on housing starts. Also: a look at selling coal on the floor. (p. 82)

Catalog Showroom News

- Consumers Distributing (Canada) has brought in troubleshooter Bernard A. Cohen to become new president and ceo of its United States division. (p. 99)
- A scramble for members of Progressive Buying Associates has begun as the catalog coordinator closed its doors. (p. 99)

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T.G. & Y. Will Roll Out AIM, New Upscale Discount Prototype

OKLAHOMA CITY—It's official.

Eighteen months after the 60-year-old chain first announced it was considering a name change and an upscale reformating, T.G. & Y. is ready to roll out a new discount store prototype—to be called "AIM for the best"—that will transform 450 stores by 1987.

Chain officials anticipate the stores will be known popularly as "AIM."

According to an ambitious five-year conversion plan detailed for *DSN* by company executives, 20 AIM stores will be opened in 18 Southern markets beginning this July. Ten of them will be existing Family Centers remade into the new prototype.

Another 35 Family Centers will be converted in 1983, with a total of 280 existing Family Centers to get the new nameplate and look by the end of 1987.

At the same time, ground will be broken on 20 new AIMs next year; 35 new stores will be built each year after that, through 1987.

While 15 traditional T.G. & Y. stores are slated for opening this year as well, the birth of AIM marks the end of further expansion of the T.G. & Y. logo that carried the chain from its variety store days through its move into discounting in the early 60's.

Any T.G. & Y. stores opened after this year will be restricted to smaller markets where the chain feels coverage is important but where the demographics don't support the opening of an AIM store.

For now, the AIM stores will be operated as a division of T.G. & Y.

J. M. Cox, formerly vp, operations, has become vice president of the new division. He will report to T.G. & Y. president and ceo Dan Kelly. Ray Balcer, a district manager, is now division vp; and three store supervisors—J. C. Krause, Dick Scott and L. L. Rhodes—have been named AIM district supervisors.

In addition, 10 15-man crews have been created to supervise the store conversions.

Five of the new markets were selected with AIM—and not T.G. & Y. stores—in mind: Macon, (which will get two stores, including the first in the chain) and Warner-Robbins, Ga.; San Angelo, Tex., and Huma, Ariz. Five other mar-

(Continued on page 112)

AIM for the best

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